

Melissa E. Newman

Vice President – Federal Regulatory Affairs 1099 New York Avenue NW, Suite 250 Washington, DC 20001 202.429.3120

VIA ECFS

October 26, 2012

Ms. Marlene H. Dortch, Secretary Federal Communications Commission 445 12th Street, S.W. Washington, DC 20554

Re: In the Matter of Qwest Communications International Inc. and CenturyTel, Inc. d/b/a CenturyLink; Application for Transfer of Control Under Section 214 of the Communications Act, as Amended, WC Docket No. 10-110 – Resubmission of October 15, 2012 CenturyLink Broadband Adoption Program Semi-Annual Report

Dear Ms. Dortch:

On October 15, 2012, enclosed with a letter from the undersigned to Julie Veach, Chief of the Wireline Competition Bureau, CenturyLink filed the second Semi-Annual Report on its "Internet Basics" broadband adoption program, as required by the Federal Communications Commission's *Memorandum Opinion and Order*, released March 18, 2011, in WC Docket No. 10-110, Appendix C, items II.E, F and G. That submission was filed in non-redacted and redacted formats and was accompanied by a request for confidential treatment of certain information related to the broadband adoption program.

CenturyLink hereby withdraws the October 15th submission and resubmits today in its entirety the second Semi-Annual Report with no request for confidential treatment. The confidentiality annotations have been removed from the documents submitted on October 15th, with no other changes having been made to the material being resubmitted today.

On October 15th, CenturyLink provided two hard copies of the non-redacted version of its submission to Gary Remondino, as was required by the Protective Order of May 28, 2010 in WC Docket No. 10-110. For the October 26th resubmission, Gary Remondino is being added to the copy recipients noted below, who are also being reserved today.

¹ 26 FCC Rcd 4194 (2011).

Ms. Marlene H. Dortch October 26, 2012

Page 2 of 2

Please contact me via the above contact information if you have any questions.

Sincerely,

/s/ Melissa E. Newman

Enclosure

Copy (via email) to:

Julie Veach (Julie.veach@fcc.gov)

Michael Steffen (Michael.steffen@fcc.gov)

Angie Kronenberg (Angela.kronenberg@FCC.gov)

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Melissa E. Newman

Vice President – Federal Regulatory Affairs 1099 New York Avenue NW, Suite 250 Washington, DC 20001 202 429 3120

VIA COURIER and ECFS

October 15, 2012

Julie Veach (<u>Julie.Veach@fcc.gov</u>)
Wireline Competition Bureau
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: CenturyLink Broadband Adoption Program Semi-Annual Report WC Docket No. 10-110

Dear Ms. Veach:

Pursuant to the Federal Communications Commission's *Memorandum Opinion and Order* (*MO&O*) released March 18, 2011 in WC Docket No. 10-110, Appendix C, items II.E, F and G, CenturyLink is filing its Semi-Annual Report on its Broadband Adoption Program's progress.

As set forth in the MO&O, CenturyLink committed to report "on the Adoption Program's progress every six months after the start of the Adoption Program, for the next five years (*i.e.*, a total of ten reports)." This is the second report. CenturyLink also committed to evaluate the effectiveness of its Promotional Program, in consultation with an independent researcher, on an annual basis, beginning one year after implementing the Adoption Program. The attached Report also fulfills these commitments.

The Broadband Adoption Metrics chart provides a snapshot of CenturyLink's Adoption Program, as of September 30, 2012. Attachment A evaluates the effectiveness of the Adoption Program, in consultation with an independent researcher, VisionTech360 Inc. The independent researcher's report is separately provided.

Sincerely,

/s/ Melissa E. Newman

Julie Veach October 15, 2012 Page 2

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BROADBAND ADOPTION METRICS

As of September 30, 2012

Metrics to be reported semi-annually to the FCC:	Preceding 6-month Period April 1, 2012 – September 30, 2012	Cumulative October 1, 2011 – September 30, 2012
Total qualifying customers who purchased broadband under discount program, by speed tier	13,886	15,496
 Qualifying customers who purchased up to and including 1.5M 	8,003	9,182
 Qualifying customers who purchased up to and including 5M 	1,690	1,824
 Qualifying customers who purchased speeds higher than 5M 	4,193	4,490
Qualifying customers who purchased computers under discount program	779	859
 Number of training programs and demonstrations held¹ 	33	63
 Number of people attending training programs and demonstrations¹ 	718	1,403
Number of training DVDs and CDs shipped	Not applicable/ CDs and DVDs were not used	Not applicable
 Number of enrolled customers who continue to subscribe to CenturyLink broadband service following expiration of their participation in the Adoption Program 	Not applicable / Minimum term was one year	Not applicable
Total broadband adoption in the combined territory (residential)	22.3%	22.3%
■ Total cost to the company of the Adoption Program¹	\$910,405	\$2,694,885
Number of qualifying customers who discontinued CTL or Q broadband service	2,071	2,145

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 $^{^{1}}$ The cumulative total includes information from the first reporting period that was not available at the time of the April 16, 2012 report.

ANNUAL EVALUATION OF CENTURYLINK'S PROMOTIONAL PROGRAM

The CenturyLink Adoption Program, branded *Internet Basics*, was launched on schedule with formal public announcement October 3, 2011. This national announcement was followed by numerous state rollout events typically held in partnership with state or local leadership.

CenturyLink's first semi-annual report described the variety of tactics used to further the Adoption Program's objectives of customer education, promotion and customer training as to the availability and uses of broadband. These tactics have included direct mail campaigns, newspaper advertisements, press releases, distribution of flyers, training classes, close collaboration with local partner organizations, and promotion through CenturyLink's website. This report describes the tactics that have been employed over the past six months. As required in the *Merger Order*, this report also evaluates the effectiveness of the Adoption Program, in consultation with an independent researcher, VisionTech360 Inc., and identifies ways that the Program might be modified in the future to improve its effectiveness.

CenturyLink's Adoption Program has gotten off to a solid start. During the first year of the Program, CenturyLink has contacted over 750 local community organizations to distribute educational materials regarding the benefits of broadband service; engaged in extensive promotion of the Program through advertisements, press releases, flyers, a robust direct mail campaign, telemarketing and website information; and held 63 in-person customer training sessions in 21 states, with approximately 1,400 participants. As a result of the Program, more than 15,000 low-income customers have purchased discounted broadband service, and nearly 900 now have discounted computer equipment.

As anticipated in the *Merger Order*, CenturyLink's Adoption Program incorporates an iterative process. CenturyLink is continually evaluating the effectiveness of particular activities, modifying tactics to improve their effectiveness and developing new approaches to education, promotion, and training. Through its consultation with VisionTech360 Inc., CenturyLink is exploring additional modifications and initiatives to build on the success of the program and bring the benefits of broadband to more consumers.

I. Outreach to Local Community Organizations

<u>Commitment</u>: CenturyLink will coordinate with at least 200 local community groups, such as Boys & Girls Clubs and senior centers, as well as schools, libraries, and other state and local institutions, especially those that support qualifying customers, tribal partners, and non-profit institutions, to develop and distribute educational materials that describe the uses and benefits of broadband capability.

¹ As of September 30, 2012, 2,145 of 15,496 Internet Basics subscribers had discontinued their discounted broadband service, resulting in 13,351 Internet Basics subscribers at the end of the first year of the Program.

<u>Tactics</u>: CenturyLink has coordinated with its Region operations teams to integrate Internet Basics into its local operating model. This means that local operations teams utilize the program at fairly granular community levels in both rural and urban markets. As part of that comprehensive process, CenturyLink has used a variety of approaches with local and community-based external partner organizations to promote the Internet Basics program to a wide variety of diverse demographic groups. In total, CenturyLink has contacted 767 individual organizations and provided them with informational material identifying the value of broadband capability and the availability of discounted broadband service and computer equipment through CenturyLink.

Additionally, in late April 2012, CenturyLink developed an informational and promotion-based "toolbox" to increase more targeted outreach efforts to low-income schools and other community organizations within the CenturyLink service footprint. The toolbox includes flyers, posters, banners and letters for school and program administrators to use within the school systems or community organization. For example, this toolbox was enhanced in July for a Back-to-School campaign designed to create broadband adoption awareness for parents and students during the beginning of the fall semester. A focus was placed on low-income schools for these events as part of this outreach. When permitted by certain schools, CenturyLink employees were present during key parent and back-to-school events. A DVD describing the Internet Basics program was also developed and provided to schools to use at their convenience to explain the program.

The Company also implemented a "self-certification" process to streamline applications for families during this time.

Additional information regarding the community organizations that CenturyLink has contacted is included in Attachment C.

Evaluation of Effectiveness/Lessons Learned: As discussed in the independent researcher's report, the lack of perceived relevance of broadband is the number one barrier to broadband adoption across all of CenturyLink's business regions.³ The education provided through CenturyLink's outreach to local community organizations directly addresses this barrier to adoption.

CenturyLink's contacts with more than 750 local community organizations over the past year vastly exceed the relevant metric specified in the *Merger Order*. These contacts have enabled wide dissemination of educational materials describing the uses and benefits of broadband capability. The independent researcher also found that the Market Development Managers' (MDMs') interactions with these organizations have significantly advanced sales of discounted broadband services to qualifying low-income customers. Partner organizations play an important role in providing local context for outreach and engagement.⁴ The MDMs

³ Independent Researcher's Report at 8.

² See Exhibit 1.

⁴ *Id.* at 11-12.

who are most effective in promoting these aspects of the Program are those who have previously developed relationships with relevant local organizations. For example, CenturyLink employees in Seattle conducted a customer training session in Vietnamese to a local Vietnamese seniors' organization. The employees' visit was reflected in a local Vietnamese community newspaper article. For purposes of the training session, the employees translated the presentation into Vietnamese. Employees have also created Spanish and Chinese versions of that presentation for other organizations.

The Back-to-School campaign has targeted lower-income schools which were successful in identifying low income families that lacked Internet access or affordable personal computers. CenturyLink learned that self-certification, which was implemented to streamline the program's application process, helped in some cases, but it did not cause a significant increase in Internet Basics subscribers from those schools. The campaign was also enhanced with newspaper advertisements that highlighted the Back-to-School program. CenturyLink was not successful in all cases in getting schools to allow the company to distribute informational materials to students or parents. The campaign was most successful in schools that were also promoting the use of computers within their student base. For example, CenturyLink saw the largest number of Internet Basics subscriptions in a school that offered to provide students a free iPad, and partnered with CenturyLink to offer Internet Basics service. CenturyLink will use its key learnings from 2012 to make adjustments for school and community outreach in 2013.

<u>Additional Changes under Consideration</u>: CenturyLink is considering a number of modifications and enhancements in its outreach to local community organizations:

- The independent researcher found that the MDMs are a valuable, but limited, resource in promoting broadband adoption. Their activities associated with the promotion of the Adoption Program are, by their nature, time consuming, and these key employees have many other responsibilities not associated with the Program. As a result, it is imperative to identify and focus their attention on those Program-related activities that have been most effective. This effort is already underway through periodic conference calls and tracking of the success of particular outreach initiatives. Through this ongoing feedback, CenturyLink will continue to redirect employees' time and effort toward activities that are most likely to accomplish the Program's objectives. As recommended by the independent researcher, CenturyLink will attempt to streamline MDMs' reporting responsibilities regarding particular aspects of the Program, recognizing the need to track activities for the semi-annual reports submitted to the Commission.
- The independent researcher also recommended that CenturyLink survey existing Internet Basics customers to assess and document the benefits of Internet access and how it has

⁵ Exhibit 2.

⁶ Independent Researcher's Report at 17-18.

⁷ See id. at 20-22.

⁸ Id. at 23-24.

positively impacted their lives, and establish a formal process to capture "success stories" and implement a systematic communications plan to communicate those successes through internal and external channels. Such data and anecdotes could be used both in outreach to local community organizations and in promotions of Internet Basics. Along these lines, CenturyLink is developing a program evaluation tool or survey that will allow Internet Basics customers to assess their experiences as new Internet or computer users; customers will list key benefits and uses of Internet access and the ways in which their use of the Internet has affected their life or interests in key areas such as education, employment, entertainment, shopping or social networking.

- CenturyLink is establishing a more robust internal and external communication program to educate employees and consumers, document and share success stories, and communicate those successes through internal and external channels. For example, CenturyLink has begun to capture success stories from MDMs on the company's employee Intranet site so that other employees can learn from these experiences and employ them in other areas.
- CenturyLink is establishing a "best in class" outreach metric and training process where CenturyLink employees in regions with higher success rates will share and train other employees on best processes and tactics to reach local communities.
- CenturyLink is still evaluating the success of the Back-to-School campaign, particularly given the substantial investment in resources it entailed. The independent researcher recommended that CenturyLink explore other targeted marketing and promotion campaigns modeled on this initiative, assuming that it proves successful. 10 Based on the outcome of its evaluation of the Back-to-School campaign, CenturyLink will consider other similar targeted marketing initiatives.

Promotional Plan II.

Commitment: CenturyLink will develop a meaningful promotional plan targeted to publicizing the availability of discounted broadband services and equipment to qualifying customers. CenturyLink will use at least 500 different media outlets (which may include radio and television stations, newspapers and magazines, on-line bulletin boards and web sites, libraries and social service agencies). CenturyLink will spend at least \$1 million per year promoting the Adoption Program throughout the combined territory in each of the first five years following the Merger Closing Date.

Tactics: CenturyLink has promoted the Internet Basics program through advertisements, press releases, flyer distributions, website updates, direct mailings, and telemarketing campaigns, as well as through the contacts with local community organizations discussed in the last section of this report.

⁹ *Id.* at 23.

¹⁰ *Id.* at 19, 22-23.

- Ads, Press Releases and Flyers Between April and September 2012, CenturyLink placed ads in 1,623 unique papers in 17 states. The ads ran twice in each paper, for a total of 3,246 ads. The advertisements described both the Internet Basics Program and Lifeline discounts available for voice services. These advertisements will continue throughout 2012 and will be seen in all 37 states where CenturyLink provides local service. CenturyLink also distributed more than 1,600 press releases and approximately 65,000 flyers over the past six months.
- Website Updates A page dedicated to the CenturyLink Internet Basics offering, http://www.centurylink.com/home/internetbasics/?rid=internetbasics, has been available on the company's website since October 2011. The link has been provided on flyers, direct mailers, door hangers, in classroom materials, and in press releases and media advertisements.

In July 2012 CenturyLink expanded the availability of Spanish-language applications for Internet Basics on its website. The application was made available in several states with large Hispanic populations, including Texas, Florida, and Nevada.¹¹

- <u>Direct Mail</u> As noted in the first semi-annual report, CenturyLink tested two direct mail campaigns in the first quarter of 2012. The first campaign was directed to approximately 200,000 existing CenturyLink Lifeline customers without broadband service. The second campaign was targeted to nearly one million households earning less than \$30,000 per year that are not subscribed to Lifeline or broadband service. The campaign targeted to Lifeline customers proved more successful. Based on these results, CenturyLink launched two more direct mail campaigns, in April and May, each targeting approximately 200,000 CenturyLink Lifeline customers without broadband.
- Telemarketing Beginning in May 2012, CenturyLink launched three different outbound telemarketing campaigns targeting existing Lifeline customers. The most recent campaign was launched in September 2012.

As of September 30, 2012, CenturyLink had spent \$1,025,359 promoting the Adoption Program.

Evaluation of Effectiveness/Lessons Learned

As noted, CenturyLink has engaged in a variety of promotional activities. This multipronged approach is intended to ensure both a wide dissemination of information about the Program through newspapers, the company's website and other media outlets, along with more targeted distribution of information to qualifying customers.

11	Exhibit 3	

• Ads, Press Releases and Flyers - With ads in more than 1,600 newspapers and the distribution of over 1,600 press releases and 65,000 flyers, CenturyLink has promoted the program to a broad potential audience.

After the initial launch of the program, some MDMs expressed concern that the "national" or general template used in the creation of collateral did not work in all markets. Many wanted flyers and press releases that could be customized with local city or town information and local retail store locations. As a result, CenturyLink's marketing team made customizable materials available online that could be updated and ordered in a timely and efficient manner.

While advertising and flyer distribution are important means of publicizing the Program, the independent researcher noted that it is the markets in which employees are effectively leveraging existing relationships that are leading in sales of Internet Basics. ¹² For example, the researcher attributed the success of the Pacific Northwest Region in this regard to strong and effective local partnerships and aggressive outreach from local MDMs and other company employees. ¹³ Given this success, CenturyLink intends to focus on a local approach to its upcoming promotional campaigns.

The independent researcher also noted the importance of proactively managing customer and community expectations regarding the Program.¹⁴ While the program generally has been well received, some customers have been disappointed or confused by the fact that the discounted service and computer equipment are not available to existing CenturyLink broadband customers. While CenturyLink can ensure that its promotional materials and outreach clearly articulate the terms of the Program, including this limitation, it is not possible to eliminate such disappointment entirely.

Finally, the independent researcher noted that the sale of discounted computer equipment has been less than expected in the first year of the Program, possibly due to the upfront cost of the computer and alternative availability of computer equipment.¹⁵

• Website Updates - CenturyLink also has made various modifications to improve its webbased outreach. After the Internet Basics website page was launched in October 2011, initial visits and hits to the page remained steady, but were not growing significantly. To increase visibility, changes were made in late 2011 to the search results page. In February 2012, CenturyLink implemented additional website modifications in an attempt to improve the customer's experience in learning about, and signing up for the program. These modifications made it easier to find the program information from the main home page and from the residential HSI product page. These changes, combined with additional advertising of the site, resulted in over a 100% increase in traffic in just one

¹² Independent Researcher's Report at 17-18.

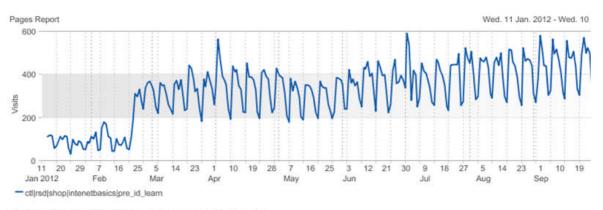
 $^{^{13}}$ *Id*

¹⁴ *Id.* at 21-22.

¹⁵ *Id.* at 15.

month. The addition of Spanish-language applications in July corresponded with a continuing increase in web traffic to the site.

The following chart shows the growth in visits to the website.



Graph Generated by SiteCatalyst using Report Accelerator at 9:07 AM CDT, 30 Sep 2012

- <u>Direct Mail</u> As noted above, CenturyLink tested two direct mail campaigns in the first quarter of 2012 and found that the campaign targeted to existing Lifeline customers without broadband was more successful than the campaign targeted to low-income customers without Lifeline or broadband. Based on these results, CenturyLink launched two more direct mail campaigns in April and May to existing Lifeline customers. The results of these direct mail campaigns have been disappointing. The 600,000 mailings to CenturyLink Lifeline customers resulted in about 2,000 Internet Basics subscriptions, a take-rate of approximately 0.3 percent. This compares to an average take-rate of 0.5 to 0.7 percent for a typical direct mail campaign to consumers.
- <u>Telemarketing</u> The outbound telemarketing campaign launched in May targeted two test markets. The campaign used existing available resources in the retail sales channel to gauge the effectiveness of using the retail organization for this type of campaign. The results were not as successful as anticipated. In June and July, CenturyLink used call center vendor partners to again target Lifeline customers via telemarketing. The vendors were more successful with the campaign and were utilized again in September for another outbound telemarketing campaign. In total, we have added approximately 4,100 Internet Basics subscribers via telemarketing.

Of course, the success of CenturyLink's promotion of discounted broadband service and computer equipment ultimately depends on the extent to which affordability is a barrier to broadband adoption. As noted by the independent researcher, a recent survey found that only 27 percent of consumers identified affordability as their number one reason for not adopting broadband, and only 14 percent indicated that the lack of an adequate computer is their primary reason for not subscribing to broadband. ¹⁶ CenturyLink's target audience for its promotional efforts is therefore limited to a relatively small percentage of consumers.

¹⁶ *Id.* at 8-9.

<u>Additional Changes under Consideration</u>: CenturyLink is considering the following changes to its promotion of the Program:

- As noted, CenturyLink is establishing a more robust internal and external communication
 system to share success stories and replicate those successes in other areas. CenturyLink
 is also looking at adding a "contact" feature in the FAQ section of the employee Internet
 Basics website so that employees can easily identify the person with expertise to handle
 specific issues that arise regarding the Program.
- CenturyLink will review its promotional materials and training to ensure that they clearly articulate the terms of the Program, including the fact that the broadband and computer equipment discounts are not available to existing CenturyLink broadband customers.¹⁷
- CenturyLink will consider the independent researcher's suggestion to gather additional information regarding the relatively low take-rate of discounted computer equipment. ¹⁸
- CenturyLink will continue to engage in comprehensive training of customer service representatives and other employees involved in the program. 19
- CenturyLink will re-evaluate regular press release and public outreach materials for additional website exposure. CenturyLink is also considering greater collaboration with local community organizations to include the Internet Basics website address on those organizations' websites.

III. Customer Training

<u>Commitment</u>: CenturyLink will make available in-person training demonstrations at local anchor institutions, and develop and distribute materials such as DVDs with each computer, to assist consumers in basic computer skills, Internet browsing, and acquiring and using broadband services. CenturyLink will spend \$1 million on training over the first two years following the Merger Closing Date, and will conduct 100 in-person training sessions and be responsive to requests for training at locations across the combined territory in the first two-year period.

<u>Tactics</u>: CenturyLink held 33 training sessions over the past six months, resulting in a total of 63 sessions in 21 states during the first year of the Program. The company used a variety of training approaches to accommodate the needs and training resources available in any given market. In some cases, sessions were led by CenturyLink employees; others were led by external partner organizations. Some sessions were advertised to the general public; others were presented to particular organizations.

¹⁷ See id. at 21-22.

¹⁸ *Id.* at 15.

¹⁹ *Id*. at 16.

To determine the effectiveness and relevancy of the training, attendees were asked to complete an optional brief survey. The survey included questions relating to experience with the Internet, demographics, and the attendee's opinion of the training. Results of the survey are reflected in Attachment C.

As of September 30, 2012, CenturyLink had spent \$541,678 on customer training, as part of the Adoption Program and is on track to complete at least 47 additional training sessions in multiple states. In multiple cases, the Company has offered additional training sessions beyond those initially planned in a given market in order to accommodate local demand.

Evaluation of Effectiveness/Lessons Learned: CenturyLink's customer training sessions generally have been well attended, with an average of 22 participants in the 63 sessions held to date. Feedback from attendees suggests that the training has helped them to recognize the value of the Internet, feel more comfortable using a computer and become aware of the discounted broadband service and computer equipment available through CenturyLink.²⁰

The curriculum for CenturyLink's training sessions includes information demonstrating the relevance of broadband, as well as how to use a computer and access the Internet. As noted by the independent researcher, such information is particularly important for older consumers.²¹

CenturyLink's on-going experience with customer training indicates that it often varies greatly by market and age demographic. For example, a well-attended training session in Seattle for senior Chinese-speaking participants required the teaching of very basic computer skills and Internet usage. However, in other training sessions, some English-speaking seniors requested more advanced training beyond the basics.

<u>Additional Changes under Consideration</u>: CenturyLink is considering the following changes related to its customer training sessions:

- CenturyLink continues to seek feedback from both training partners and participants to improve the efficiency and effectiveness of its training efforts.
- CenturyLink will continue to engage in comprehensive training of all employees, including those involved in customer training sessions.

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²⁰ Attachment C.

²¹ Independent Researcher's Report at 9-11.

Order MDM Items

« <u>Back</u> « **Internet Basics** Letter - CIB School Letter Qwest School Lunch 8.5 x 11



Dear

At , we feel that education doesn't end at the classroom door. With today's technology, opportunities for learning are all around us. The Internet has revolutionized the way we access information, and is almost a necessity in the modern world. Unfortunately, many of our students don't have access to the Internet at home.

That's why we want to inform parents and students about a new offering from CenturyLink. Through their "Internet Basics" program, CenturyLink is now offering reliable and affordable Internet for low-income consumers in our area. Having the Internet allows your family access to massive amounts of information to assist in homework, job searches, video and music downloads, receiving news, and paying bills. With CenturyLink's Internet Basics, you can make your home more efficient and connected.

Knowing the value of the Internet in a child's education, CenturyLink is committed to providing these services to low-income families in our area. Students who receive free lunch from [school name] may qualify their family for Internet Basics for just \$9.95 per month (plus taxes and fees) with a 12 month commitment.

If you don't have a computer, CenturyLink is also offering a brand new Netbook for \$150 (plus taxes and S&H) with a 24-month commitment. To help newly-connected customers, CenturyLink will also offer free Internet training sessions that are free and open to the public.

Call Centurylink at 1-866-541-3330, or visit centurylink.com/internetbasics, today to see if your family can take advantage of this great offer.

In addition to Internet Basics, CenturyLink's Lifeline service provides discounted phone services for qualifying families. Call 1-800-201-4099 to find out if your family is eligible.

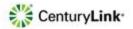
Secure you child's educational success by connecting your family to the Internet with CenturyLink's Internet Basics program.

Sincerely,

Internet Basks is a program to provide home Internet service for low-income families. It is not a school program, and is not endorsed or required by [School Name].



Letter - CIB School Letter Qwest TESTING (code)



Dear

At , we feel that education doesn't end at the classroom door. With today's technology, opportunities for learning are all around us. The Internet has revolutionized the way we access information, and is almost a necessity in the modern world. Unfortunately, many of our students don't have access to the Internet at home.

That's why we want to inform parents and students about a new offering from CenturyLink. Through their "Internet Basics" program, CenturyLink is now offering reliable and affordable Internet for low-income consumers in our area. Having the Internet allows your family access to massive amounts of information to assist in homework, job searches, video and music downloads, receiving news, and paying bills. With CenturyLink's Internet Basics, you can make your home more efficient and conjected.

Knowing the value of the Internet in a child's education, CenturyLink is committed to providing these services to low-income families in our area. Qualifying families may be eligible for Internet Basics for just \$9.95 per month (plus taxes and fees) with a 12 month commitment.

If you don't have a computer, CenturyLink is also offering a brand new Netbook for \$150 (plus taxes and S&H) with a 24-month commitment. To help newly-connected customers, CenturyLink will also offer free Internet training sessions that are free and open to the public.

Call Centurylink at 1-866-541-3330, or visit centurylink.com/internetbasics, today to see if your family can take advantage of this great offer.

In addition to Internet Basics, CenturyLink's Lifeline service provides discounted phone services for qualifying families. Call 1-800-201-4099 to find out if your family is eligible.

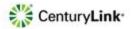
Secure you child's educational success by connecting your family to the Internet with CenturyLink's Internet Basics program.

Sincerely,

Internet Basics is a program to provide home Internet service for low-income families. It is not a school program, and is not endorsed or required by.



Letter - CIB School Letter_Qwest_SPN 8.5 x 11



Estimado(a)

En , creemos que la educación no termina en la puerta del salón de clases. Con la tecnología actual, hay muchas oportunidades para aprender a nuestro alrededor. El Internet ha revolucionado la forma en que accedemos a la información, y es casi una necesidad en el mundo moderno. Desafortunadamente, muchos de nuestros estudiantes no cuentan con acceso a Internet en casa.

Es por eso que deseamos informarles a los padres y estudiantes acerca de una nueva oferta de CenturyLink. A través de su programa "Internet Basics", CenturyLink ahora ofrece Internet confiable y a un precio accesible a consumidores de bajos ingresos en nuestra área. El Internet le da a su familia acceso a grandes cantidades de información para ayudarle con las tareas escolares, búsqueda de trabajo, descargas de música y video, estar al día con las noticias, y pagar facturas. Con Internet Basics de CenturyLink, usted puede hacer que su hogar sea más eficiente y esté conectado.

Porque conocemos el valor de Internet en la educación de un niño, CenturyLink está comprometido a proporcionar estos servicios a familias de bajos ingresos en nuestra área. Las familias que califiquen pueden ser elegibles para Internet Basics por sólo \$9.95 al mes (más impuestos y cargos) con un contrato a término de 12 meses.

Si usted no tiene una computadora, CenturyLink también está ofreciendo una Netbook nueva por \$150 (más impuestos y gastos de envío) con un contrato a término de 24 meses. Para ayudar a los clientes recién conectados, CenturyLink también ofrecerá sesiones de entrenamiento básico de Internet gratuitas y disponibles para el público.

Llame a CenturyLink al 1-866-541-3330, o visite centurylink.com/internetbasics, hoy mismo para saber si su familia puede aprovechar esta excelente oferta.

Adicionalmente a Internet Basics, el servicio Lifeline de CenturyLink ofrece descuentos en el servicio telefónico a familias que califiquen. Llame al 1-800-201-4099 para averiguar si su familia es elegible.

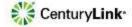
Asegure el éxito en la educación de sus hijos conectando su familia a Internet con el programa Internet Basics de CenturyLink.

Atentamente,

tridemet Basics es un programa para proporcionar servicio de Internet residencial a familias de bajos ingresos. No es un programa escolar y no es respaidado ni exigido por .



Letter - CIB School Letter_CTL_SchoolLunch 8.5 x 11 3/28/83



Dear So and So's Parent

At Monroe School District, we feel that education doesn't end at the classroom door. With today's technology, opportunities for learning are all around us. The Internet has revolutionized the way we access information, and is almost a necessity in the modern world. Unfortunately, many of our students don't have access to the internet at home.

That's why we want to inform parents and students about a new offering from CenturyLink. Through their "Internet Basics" program, CenturyLink is now offering reliable and affordable Internet for low-income consumers in our area. Having the Internet allows your family access to massive amounts of information to assist in homework, job searches, video and music downloads, receiving news, and paying bills. With CenturyLink's Internet Basics, you can make your home more efficient and connected.

Knowing the value of the Internet in a child's education, CenturyLink is committed to providing these services to low-income families in our area. Students who receive free lunch from [school name] may qualify their family for Internet Basics for just \$9.95 per month (plus taxes and fees) with a 12 month commitment.

If you don't have a computer, CenturyLink is also offering a brand new Netbook for \$150 (plus taxes and S&H) with a 24-month commitment. To help newly-connected customers, CenturyLink will also offer free Internet training sessions that are free and open to the public.

Call Centurylink at 1-800-257-3212, or visit centurylink.com/internetbasics, today to see if your family can take advantage of this great offer.

In addition to Internet Basics, Century Link's Lifeline service provides discounted phone services for qualifying families. Call 1-800-201-4099 to find out if your family is eligible.

Secure you child's educational success by connecting your family to the Internet with CenturyLink's Internet Basics program.

Sincerely,

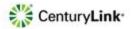
Monroe High School

Mr. Monroe School

internet Basics is a program to provide home internet invice for low-income families. It is not a school program, and is not en donaed or nequined by Momos High School.



Letter - CIB School Letter CTL SchoolLunch FINAL SPN 8.5 x 11



Estimado(a)

En , creemos que la educación no termina en la puerta del salón de clases. Con la tecnología actual, hay muchas oportunidades para aprender a nuestro alrededor. El Internet ha revolucionado la forma en que accedemos a la información, y es casi una necesidad en el mundo moderno. Desafortunadamente, muchos de nuestros estudiantes no cuentan con acceso a Internet en casa.

Es por eso que deseamos informarles a los padres y estudiantes acerca de una nueva oferta de CenturyLink. A través de su programa "Internet Basics", CenturyLink ahora ofrece Internet confiable y a un precio accesible a consumidores de bajos ingresos en nuestra área. El Internet le da a su familia acceso a grandes cantidades de información para ayudarle con las tareas escolares, búsqueda de trabajo, descargas de música y video, estar al día con las noticias, y pagar facturas. Con Internet Basics de CenturyLink, usted puede hacer que su hogar sea más eficiente y esté conectado.

Porque conocemos el valor de Internet en la educación de un niño, CenturyLink está comprometido a proporcionar estos servicios a familias de bajos ingresos en nuestra área. Los estudiantes que reciben almuerzos escolares gratuitos de [school name] pueden calificar a su familia para Internet Basics por sólo \$9.95 al mes (más impuestos y cargos) con un contrato a término de 12 meses.

Si usted no tiene una computadora, CenturyLink también está ofreciendo una Netbook nueva por \$150 (más impuestos y gastos de envío) con un contrato a término de 24 meses. Para ayudar a los clientes recién conectados, CenturyLink también ofrecerá sesiones de entrenamiento básico de Internet gratuitas y disponibles para el público.

Llame a CenturyLink al 1-800-257-3212, o visite centurylink.com/internetbasics, hoy mismo para saber si su familia puede aprovechar esta excelente oferta.

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Internet Basics - Internet Basics Flyer 2 x 3.5



"Never and offer may write a position everywhere the sensitive extreme tends of contract and the major write an excitation are not excitation and an extreme tends of the contract and the contra



Internet Basics - Internet Basics Flyer 2 x 3.5





Call 800.257.3212 Click centurylink.com/internetbasics

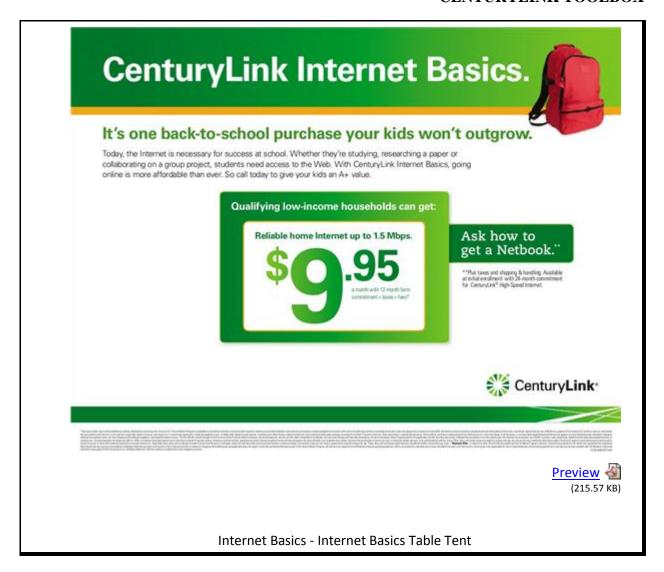


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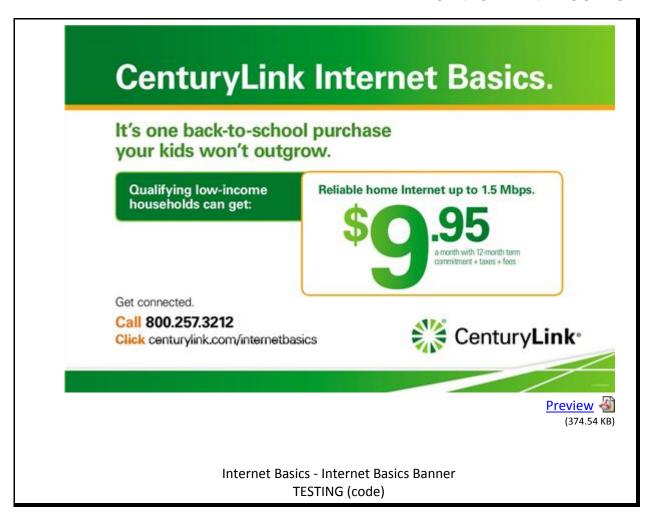


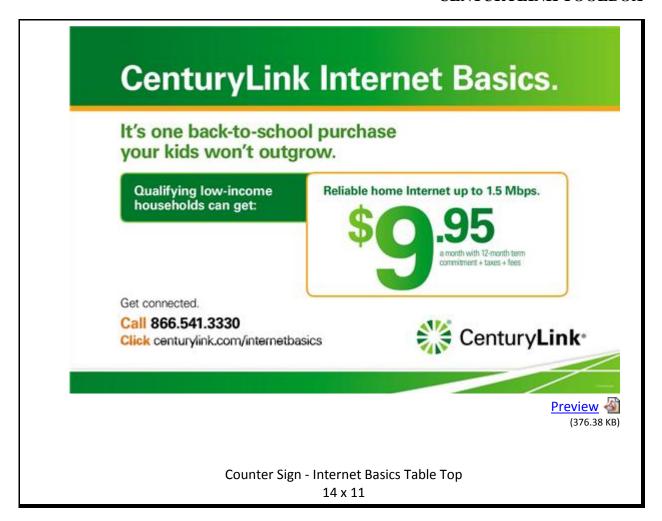
Internet Basics - Internet Basics Table Tent

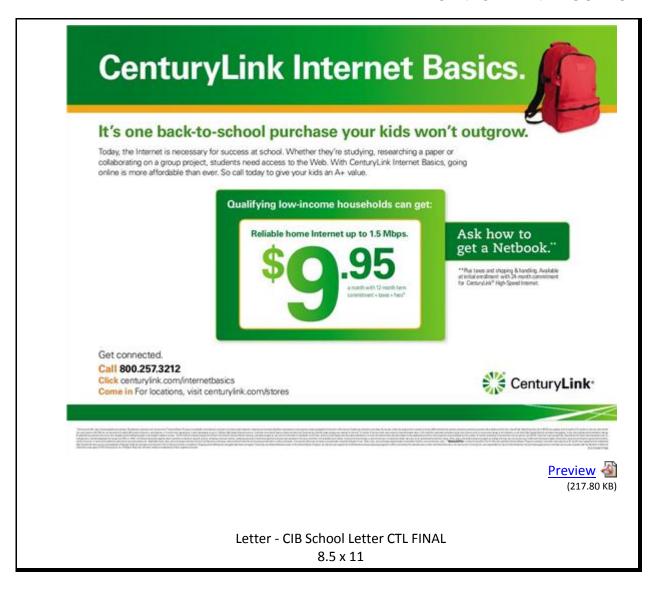


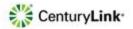












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Sincerely,

Internet Basics is a program to provide home internet service for low-income families. It is not a school program, and is not endorsed or required by .



Letter - CIB School Letter CTL FINAL SPN 8.5 x 11



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Flyer - Non Promo CIB Flyer 8.5 x 11

Help us get more families online



The Federal Communications Commission is taking a leadership role in bringing high-speed Internet and broadband services to more low-income families.

To support this effort, CenturyLink is offering discounted high-speed home Internet service, an affordable Internet-ready computer, and free technology training and computer classes to help eligible* families in local service areas get online.

We believe the Internet is an important part of a child's education outside the classroom. In order to succeed at school and in life, children need to be able to go online at home. Sign up now for CenturyLink's Internet Basics program.

For more information on Internet Basics, please call CenturyLink at 318-699-9415.

* Eligibility is based on the FCC's existing low-income Lifeline program.

Home internet rates start at \$9.95 a month plus taxes and fees with a 12-month commitment, internet Basics is not a school program and is not end





Flyer - Info Flyer - L-Q 8.5 x 11



Flyer - Benefits Flyer L-Q 8.5 x 11







Flyer - Info Flyer - L-CTL 8.5 x 11

(181.85 KB)



Flyer - Info Flyer L-Q (Spanish) 8.5 x 11





Preview (376.12 KB)

Flyer - Info Flyer - L-CTL (Spanish) 8.5 x 11





Preview (194.11 KB)

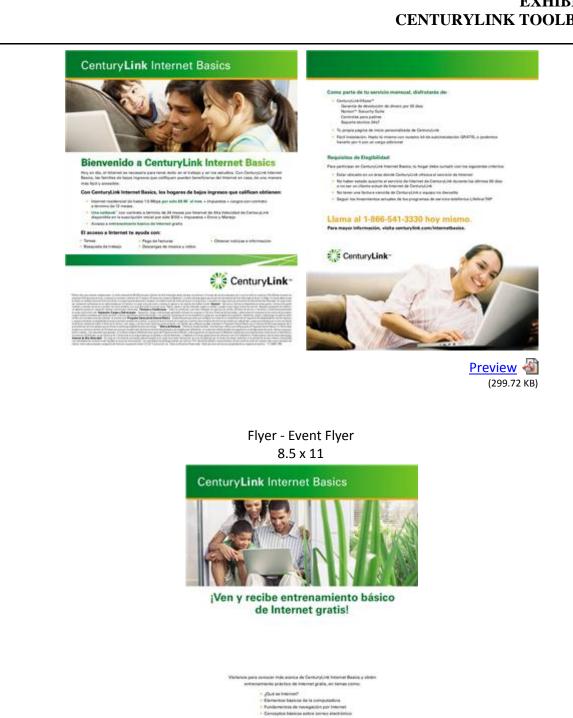
Flyer - Info Flyer - L-CTL 8.5 x 11





Preview (299.36 KB)

Flyer - Info Flyer - L-Q 8.5 x 11



CenturyLink-Preview 🚳 (5.12 KB)

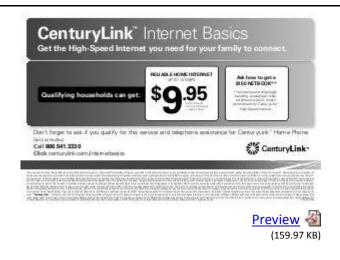
Flyer - Event Flyer 8.5 x 11



Poster - L-Q - Internet Basics Poster - Black and White 11×17



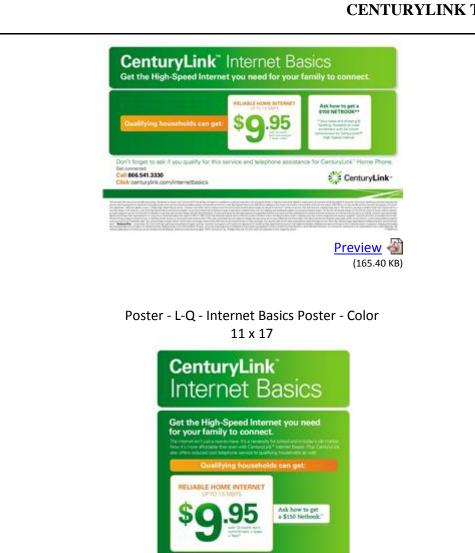
Flyer - English Newsletter - Black/White 8.5 x 5.5



Poster - L-Q - Internet Basics Poster w/no price Point - Color 11 x 17



Flyer - L-Q - Internet Basics Newsletter - Color 8.5 x 5.5



Preview (227.64 KB)

CenturyLink

Flyer - Training Powerpoint - English

Cull 866.541.3330
Click cereurylink.com/internetbasics



CenturyLink Internet Basics

Computer and Internet Basics





Flyer - Training Powerpoint - Spanish



CenturyLink Internet Basics

Elementos Básicos sobre la Computadora e Internet





Flyer - Internet Basis English Newsletter - Color 8.5 x 5.5



Poster - Internet Basics Poster w/no Price Point - Black and White 11×17



Poster - L-Q - Internet Basics Poster Spanish w/no Price Point - Black and White 11 x 17



Poster - Internet Basics Color Poster - English 11 x 17



Preview (233.22 KB)

Poster - Internet Basics Spanish Poster - Color 11 x 17



Poster - Internet Basics Spanish Poster w/no Price Point - Black and White $11\,x\,17$



Poster - L-Q - Internet Basics Poster English w/no Price Point - Black and White 11×17



Poster - L-Q - Internet Basics Poster Spanish - Black and White 11×17



Poster - L-Q - Internet Basics Poste Spanish - Color 11 x 17

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Preview (241.76 KB)

Flyer - Internet Basics Newsletter - Black and White 8.5×5.5

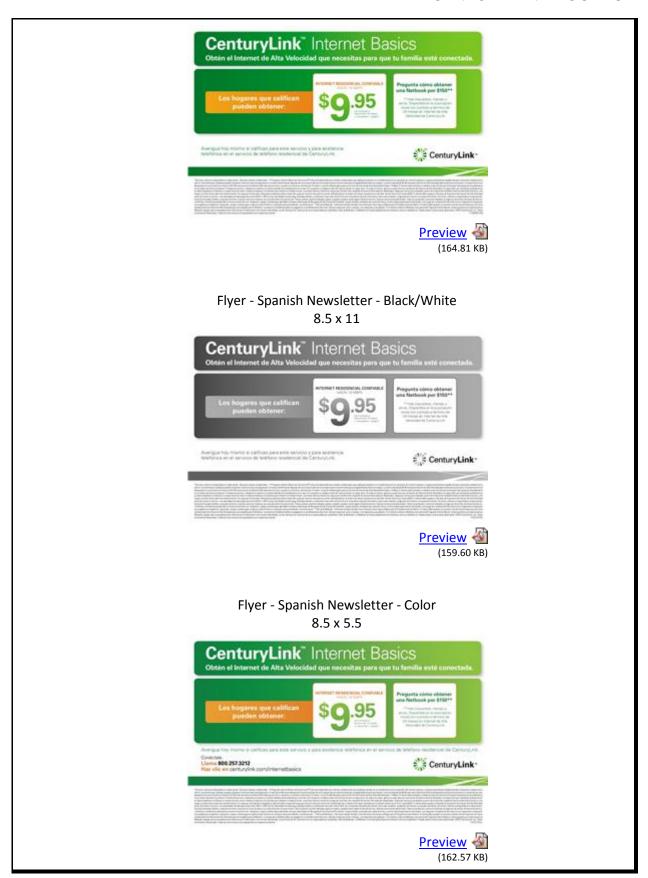


Preview (535.72 KB)

Poster - L-Q - Internet Basics Spanish Poster w/no Price Point - Color 11×17



8.5 x 5.5



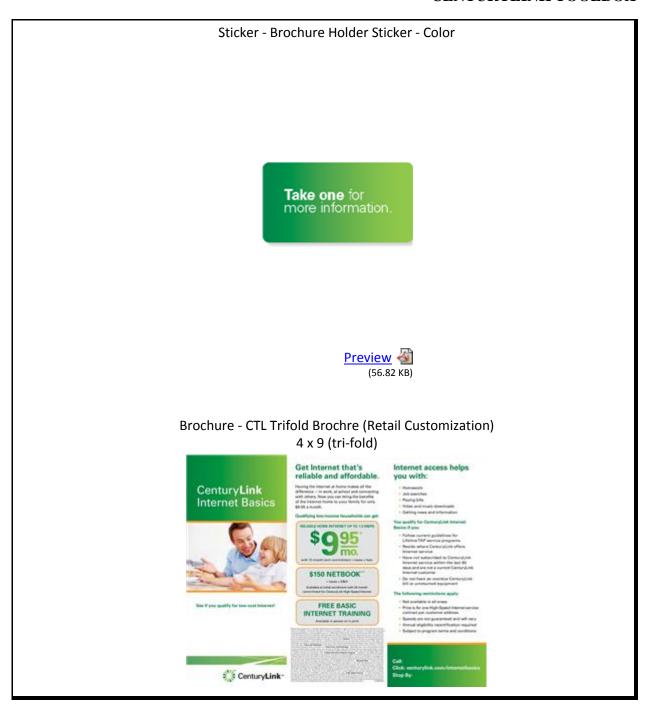
Poster - Internet Basics Poster Spanish - Black/White 11 x 17

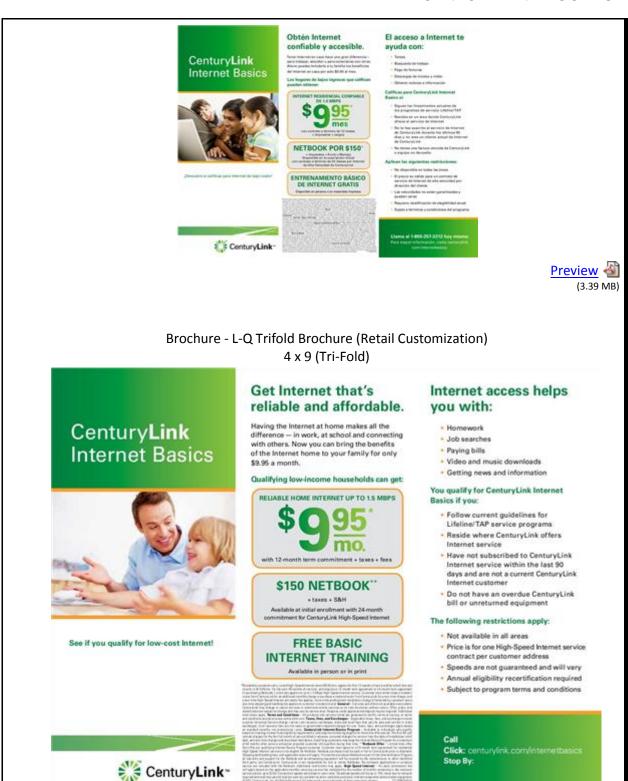


Misc Finished Good - BROCHURE HOLDER











Obtén Internet confiable y accesible.

Tener internet en casa hace una gran diferencia – para trabajar, estudiar y para conectarse con otros. Ahora puedes brindarle a tu familia los beneficios del Internet en casa por sólo \$9.95 al mes.

Los hogares de bajos ingresos que califican pueden obtener:



NETBOOK POR \$150°

impuestos + Envio y Manejo
Disposible en la suscripción inicial
con contrato a término de 34 meses por internet
de Alta Velocidad de CenturyLink

ENTRENAMIENTO BÁSICO DE INTERNET GRATIS

Disponible en persona o en materiales impresos

El acceso a Internet te ayuda con:

- + Tareas
- · Büsqueda de trabajo
- · Pago de facturas
- Descargas de música y video
- Obtener noticias e información

Calificas para CenturyLink Internet Basics si:

- Sigues los lineamientos actuales de los programas de servicio Lifeline/TAP.
- Resides en un

 årea donde Century-Link ofrece el servicio de Internet
- No te has suscrito al servicio de Internet de CenturyLink durante los últimos 90 dias y no eres un cliente actual de Internet de CenturyLink
- No tienes una factura vencida de CenturyLink o equipo no devuelto

Aplican las siguientes restricciones:

- · No disponible en todas las áreas
- El precio es válido para un contrato de servicio de Internet de alta velocidad por dirección del cliente
- Las velocidades no están garantizadas y pueden variar
- Requiere recalificación de elegibilidad anual
- Sujeto a términos y condiciones del programa

Llama al 1-866-541-3330 hoy mismo. Para mayor información, visita centurylinic com/internetbasics.



Internet Basics - L-Q Internet Basics Doorhanger

4 x 11



Logout

Đón mừng Lễ Hội Trung Thu tt r 64



Các em ca hát đón Trung Thu tại Chùa Dược Sư.

khuôn viên của giáo xứ, trên sân khấu được trang trí bức tranh lớn nổi bật hình ảnh khóm tre làng Việt Nam, trên cao lơ lửng ánh trăng vàng, chung quanh sân khấu những chiếc lồng đèn được treo lủng lằng. Dưới sân được trải những tấm



bat lớn, tất cả mọi người đều ngồi chờ đợi giờ khai mạc lễ Hội Trăng Rằm. Đúng 7:30 Linh mục chánh xứ Đào Xuân Thành khai mạc chương trình Trung Thu. Các em Đội Lân thiếu nhi thánh thể Đoàn Chúa Hài Đồng đánh trống khua chiêng, hai chú Lân nhảy múa quanh trong lớp người đón mừng Trung Thu. Linh mục Chánh xứ Đào Xuân Thành và linh mục phụ tá Nguyễn Sơn Miên cùng hòa mình trong niềm vui chung với giáo dân. Chương trình văn nghệ với các tiết mục đặc sắc của các em thiếu nhi trong giáo xứ và các màn ảo thuật của các soeur từ Portland cùng đến biểu diễn thật hào hứng và sôi động. Xen lẫn trong chương trình văn nghệ, các em thiếu nhi được nhận những phần quà bánh và chiếc lồng đèn trên



Các em thiếu nhi đang chuẩn bị rước đèn.

tay chuẩn bị rước đèn.

Vào lúc này, khoảng hơn 8:00 tối mặt trăng đã lên cao, chị Hằng và chú Cuội đã ló dạng như đưa cảnh vật vào huyền thoại. Trên cao ánh sáng dịu dàng tỏa xuống tưởng chừng như chị Hằng và chú Cuội cùng giáng trần vui Trung Thu. Tất cả mọi người cùng đưa tay lên vẫy chào đón ánh trăng sáng ngời, các em cầm những chiếc đèn lung linh trong ánh lửa vàng cùng nối gót nhau đi trong sân sau hai con lân đang uốn mình và cùng cất tiếng hát "Tết Trung Thu em rước đèn đi

Chương trình được kết thúc vào lúc 9:30 tối cùng ngày.

NVNN

Lớp hướng dẫn căn bản về máy vi tính và mạng Internet của công ty CenturyLink

SEATTLE - Tuy thông báo được ty CenturyLink tổ chức. phổ biến trên báo NVNN chỉ được 28 tháng 9 tại văn phòng của cơ quan Helping Link đã có hơn 20 đồng hương hiện diện tham dự lớp hướng dẫn căn bản về máy vi tính và internet do công

Đại diện công ty hàng đầu chuyên hơn nữa ngày, nhưng chiều thứ Sáu cung cấp các dịch dụ điện thoại và truyền thông CenturyLink tại địa phương là bà Jane Nishita và các viên chức tháp tùng đã từng bước giải thích cho cử tọa tham dự những kiến thức



Đại diện công ty CenturyLink và các tình nguyện viên của Cơ quan Helping Link.



Đông đảo đồng hương tham gia buổi hội thảo. Người hướng dẫn đứng bên phải là ông Thịnh Vũ của công ty CenturyLink.

trên thi trường và tính chất thiết thực của việc sử dụng mạng lưới internet trong đời sống hiện nay.

Nhân dịp này, đại diện công ty CenturyLink cũng tiết lộ nhiều chương trình trợ giá của công ty như: mua máy thấp cho việc sử dụng mạng internet do công ty cung cấp...

Nhiều câu hỏi của đồng hương tham dự liên quan đến đề tài thảo luận đã được đại diện công ty CenturyLink trả lời thỏa đáng.

Theo lời bà Jane Nishita, công ty

căn bản về các loại máy vi tính hiện có CenturyLink, mà bà là người đại diện trong khu vực Seattle, nhằm mục đích giúp khách hàng trong các cộng đồng thiểu số thuận tiện và dễ dàng hơn trong việc tiếp xúc với những phương tiện truyền thông hiện đại, công ty sẽ luôn có những buổi hội thảo tương tự vi tính loại nhỏ với giá rẻ hoặc lệ phí trong tương lai. Đồng thời công ty cũng có giá cả thích hợp cho từng hoàn cảnh của người sử dụng dịch vụ của công

> Bà hy vọng sẽ tiếp tục làm việc với cơ quan Helping Link để những buổi hội thảo tới đây sẽ quy mô và đông đảo đồng hương Việt Nam tham dự.

Century Link Internet Basics



Bienvenido a CenturyLink Internet Basics

Hoy en día, el Internet es necesaria para tener éxito en el trabajo y en los estudios. Con CenturyLink Internet Basics, las familias de bajos ingresos que califiquen pueden beneficiarse del Internet en casa, de una manera más fácil y accesible.

Con CenturyLink Internet Basics, los hogares de bajos ingresos que califican obtienen:

- Internet residencial de hasta 1.5 Mbps por sólo \$9.95* al mes + impuestos + cargos con contrato a término de 12 meses
- Una netbook** con contrato a término de 24 meses por Internet de Alta Velocidad de CenturyLink disponible en la suscripción inicial por sólo \$150 + impuestos + Envío y Manejo
- Acceso a entrenamiento básico de Internet gratis

El acceso a Internet te ayuda con:

- Tareas
- Búsqueda de trabajo
- Pago de facturas
- Descargas de música y video

Obtener noticias e información



*Oferta sólo para clientes residenciales. La tarifa indicada de \$9.95/mes para Internet de Alta Velocidad aplica durante los próximos 48 meses de servicio), y requiere un contrato a término de 12 meses o 24 meses (si compra la Netbook). La tarifa indicada aplica para el servicio de Internet de Alta Velocidad de hasta 1.5 Mbps. El cliente debe ya sea arrendar un módem/router de CenturyLink por un cargo único por activación de Internet de Alta Velocidad de hasta 1.5 Mbps. El cliente debe ya sea arrendar un módem/router de CenturyLink por un cargo único por activación de Internet de Alta Velocidad. Un cargo único por instalación profesional (si es seleccionada por el cliente) y un cargo único por envío y manejo se aplican a los clientes del módem/router. General — Servicios y ofertas no disponibles en todas partes. CenturyLink puede cambiar o cancelar servicios o sustituir servicios similares a su sola discreción sin previo aviso. Oferta, planes y tarifas indicadas sujetos a cambio y pueden variar según el área de servicio. Requiere aprobación de crédito y un depósito puede ser requerido. Aplican restricciones adicionales. Términos y Condiciones — Todos los productos y servicios indicados se rigen por las tarifas, términos de servicio, o términos y condiciones on www.centurylink.com. Impuestos, Cargos y Sobrecargos — Impuestos, Cargos y sobrecargos aplicables incluyen un cargo por el Servicio Universal del proveedor, sobrecargos de recuperación de costos del proveedor, cargos locales y estatales que varían por área, y ciertos sobrecargos dentro del estado. Los cargos por recuperación no son impuestos o cargos por uso exigidos por el gobierno. Impuestos, cargos y sobrecargos se aplican sobre tarifas con una base mensual estándar, no promocional. Programa CenturyLink Internet Basics — Disponible para personas que califiquen con base en el cumplimiento de los requisitos de la divante el periodo completo de la oferta. La primera factura incluirá los cargos por el primer mes completo de servicio facturados por adelanta

Como parte de tu servicio mensual, disfrutarás de:

- CenturyLink@Ease™
 - Garantía de devolución de dinero por 30 días
 - Norton™ Security Suite
 - Controles para padres
 - Soporte técnico 24x7
- Tu propia página de inicio personalizada de CenturyLink
- Fácil instalación. Hazlo tú mismo con nuestro kit de autoinstalación GRATIS, o podemos hacerlo por ti por un cargo adicional

Requisitos de Elegibilidad:

Para participar en CenturyLink Internet Basics, tu hogar debe cumplir con los siguientes criterios:

- Estar ubicado en un área donde CenturyLink ofrezca el servicio de Internet
- No haber estado suscrito al servicio de Internet de CenturyLink durante los últimos 90 días o no ser un cliente actual de Internet de CenturyLink
- No tener una factura vencida de CenturyLink o equipo no devuelto
- Seguir los lineamientos actuales de los programas de servicio telefónico Lifeline/TAP

Llama al 1-866-541-3330 hoy mismo.

Para mayor información, visita centurylink.com/internetbasics.



CenturyLink Internet Basics Independent Researcher Report One



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CenturyLink Internet Basics Year-One Independent Researcher Report One

EXECUTIVE SUMMARY

Expanding the rate of broadband adoption is a national policy priority and also consistent with CenturyLink's overall business objectives. Households where annual income is below \$25,000 per year are approximately half as likely to subscribe to broadband as households earning at least \$75,000 per year (43% versus 88%). However, household consumer surveys consistently find that affordability is not the only barrier to broadband adoption. In addition to cost, the lack of perceived personal relevance and not having a computer at home, are primary barriers for subscribing to broadband Internet. In October 2011 CenturyLink launched the Internet Basics program to proactively address these three major barriers in each of the states where it has Lifeline customers.

During the first year of operation, the program has delivered 63 training events to 1,403 individuals across 21 states; engaged over 750 local community partners and resulted in an estimated 13,351 low-income customers receiving a discounted Internet subscription and 859 customers obtaining an Internet-ready laptop for approximately \$150.

These numbers do not fully reflect the impact of the program or the foundation that has been laid for future years of the program. Most notably, the launch of Internet Basics has required CenturyLink to commit resources and organizational capacity on a national scale to implement a transformational business strategy for which there is little industry precedent. In short, there has been a necessary learning curve. Important lessons learned that already are being added into the CenturyLink Internet Basics program operation and management include:

- Dedicated training resources are essential.
- Established community connections of CenturyLink's Market Development Managers are critical to the program's success, but also potentially a scarce asset.
- Leveraging local partner networks can enable efficient and effective market outreach.
- Targeting market opportunities such as focusing on schools can help efficiently focus CenturyLink's resource commitment.
- Senior leadership innovation, prioritization and support essential.
- CenturyLink must maintain flexibility within the program to be nimble responding to market realities at the local and regional level.
- CenturyLink should implement clear communication to proactively manage community and customer expectations.

This report expands upon each of these lessons learned and the implications for the continued program evolution in future years.



INTRODUCTION

The National Broadband Plan includes six ambitious longer-term goals including that "every American should have affordable access to robust broadband service, and the means and skills to subscribe if they choose to." Consistent with this goal, CenturyLink's overarching business interest includes positioning the company to continue as one of the nation's leading broadband service providers. The Federal Communications Commission's *Memorandum and Opinion Order* approving the CenturyLink and Qwest Merger explicitly contemplated that the merger would better align both the company's business interest and the public's interest to expand the availability of advanced services to customers in the markets serviced by the Applicants.³

CenturyLink's commitment to the expansion of broadband service to all customers in the newly defined combined territory is evidenced by certain voluntary public interest commitments that the FCC accepted as conditions to its approval of the merger. Notably CenturyLink committed to the implementation of a program "encouraging adoption of broadband service in the combined territory." In October 2011 the merged company launched a program that targeted new broadband adoption by low-income customers in all the states where it has service. This program includes three general goals:

- 1. Reduce cost barriers for qualifying low-income customers⁴ by offering a discounted broadband Internet Service at a price of \$9.95 per month, during the first 12 months and \$14.95 a month for the remainder of the term.
- 2. Address the lack of computer equipment among qualifying customers by offering an Internet capable computer for \$150 per month, plus taxes shipping and handling.
- 3. Improve education, promotion and training as to the availability and uses of broadband.

CenturyLink agreed to engage an independent researcher to help monitor and assess the impact of this Adoption Program. VisionTech360 Inc., a Strategy Solutions company based in Spokane Washington was selected to fulfill this role.⁵ This report is the first of an anticipated series of research reports to be prepared annually for each of the five years of the Adoption Program. This is in addition to regular summary reports provided by CenturyLink to the FCC each six months on program activities measured against defined

^{5 ---} Dr. Bill Gillis, President of VisionTech360 serves as the primary researcher for this assignment. Dr. Gillis is familiar with the industry and public interest regulation principles having served six years as a State of Washington Public Service Commissioner and Chair of the FCC Task Force on Universal Service. VisionTech360 is an experienced firm in the methodological design and creation of data collection tools and analysis of data pertaining to broadband sector monitoring and evaluation. http://visiontech360.com



¹ --- National Broadband Plan

² --- CenturyLink, Inc Q2 2012 Earnings Call; August 10, 2012. http://seekingalpha.com/article/796801-centurylink-s-ceo-discusses-q2-2012-results-earnings-call-transcript

³ --- FCC 11-47. Memorandum & Opinion, March 18, 2011

⁴ --- Qualifying customers are defined as customers eligible for Lifeline telephone service in the markets traditionally served by either of the two legacy companies, but who are not presently a broadband subscriber of either legacy company at the time of enrollment or subject to a collections dispute.

benchmarks. For the preparation of this first research report, VisionTech360 has reviewed data on the Adoption Program made available by the Company and conducted a number of independent interviews of company personnel representing key perspectives of the first year Program roll-out. This report provides an assessment of:

- Major Adoption Program outcomes during the first year.
- Challenges encountered and lessons learned.
- Opportunities to strengthen the Adoption Program in future years.

MAJOR ADOPTION PROGRAM OUTCOMES

Making Broadband More Affordable in Low Income Markets

The CenturyLink Adoption Program, branded as *Internet Basics*, was launched on schedule with formal public announcement October 3, 2011. This national announcement was followed by numerous state rollout events typically held in partnership with state or local leadership.⁶

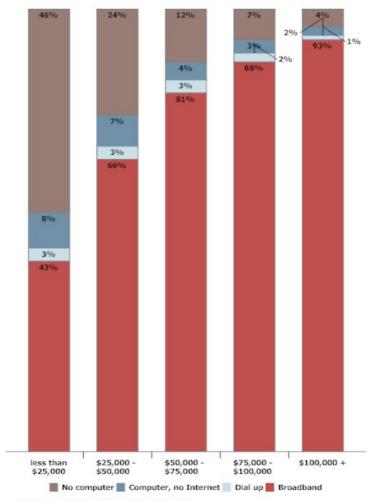
As noted in the introductory section to this report, the Adoption Program provides discounted broadband service, access to low-cost computer equipment and customized awareness outreach and training targeted to a customer base that is eligible for the Lifeline telephone service.⁷ By defining eligible participants as customers eligible for Lifeline support but who are presently not accessing the Internet with a CenturyLink home broadband connection, the Adoption Program hits at the heart of the US broadband adoption challenge.

⁷ --- Customers eligible for Lifeline telephone service typically live in households where family income is 135 percent or less than federal poverty levels.



⁶ --- For example CenturyLink partnered with the Arkansas Leadership Council and Governors office for a November 17 launch of the Internet Basics Program at the Delta Technology Center in Dumas Arkansas.

FIGURE 1: Computer and Internet use by household income, 2010



Source: NTIA / Image:FierceGovernmentIT

Both access to a computer at home and subscription to a broadband Internet connection are substantially less for lower-income families compared to those with higher income. In households with annual income less than \$25,000 per year, nearly half do not have a computer at home. A small percentage (about 7 percent) had a computer but no Internet connection in 2010. However, about 43 percent of the lowest-income households did subscribe to a broadband Internet connection at home in 2010. In comparison, nearly every household where annual income is over \$100,000 has a computer at home and only a small percentage (7%) choose not to have an Internet connection.

TABLE 1: Comparison of Poverty and Broadband Subscription Rates in States Where CenturyLink has Significant Presence, by Business Region⁸

CenturyLink Business Region	Average % of Families in Poverty 2009	Average % Households Subscribing to Broadband, 2010
Eastern ⁹	10.4	66.3
Midwest ¹⁰	10.5	67.1
Mountain ¹¹	8.5	72.3
Northwest ¹²	8.9	75.5
Southern ¹³	12.5	65.1
Southwest ¹⁴	11.3	71.1
Company-wide	10.7	67.9

Table 1 provides a comparison of poverty rates with average broadband subscription rates organized by CenturyLink's six business regions. The data generally supports the proposition that in states with higher poverty rates, the broadband subscription rate is lower, and in states with lower poverty rates, broadband subscription rate is higher. The 2009 family poverty rate is highest in the Southern Region at 12.5 % and broadband subscription the lowest at 65.1%. Poverty rates in the Mountain and Northwest Regions is less than 9 percent and broadband subscription rates are well above 70%.

Figure 2 (below) compares the 2009 poverty rate with the estimated average statewide broadband subscription rate in each of the states where CenturyLink has a significant presence. The pattern demonstrates a clear inverse relationship between poverty and broadband subscription. Mississippi has the highest poverty rate (17.3 %) among states where CenturyLink has access lines and also the lowest broadband subscription rate (51.7%) in the nation. On the other end of the spectrum, Utah has among the lower poverty

 $^{^{\}rm 14}$ -- Southwest Region includes the states of Arizona, Nevada and New Mexico.



⁸ --- Source: Poverty data from American Community Survey estimates, US. Census Bureau. Household broadband subscription data derived from U.S. Census of Population Household Survey, 2011.

⁹ --- Eastern Region includes the states of Georgia, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee and Virginia.

¹⁰---Midwest Region includes the states of Illinois, Indiana, Iowa, Michigan, Minnesota, Nebraska, North Dakota, South Dakota and Wisconsin.

¹¹ -- Mountain Region includes the states of Colorado, Montana, Utah and Wyoming.

¹² -- Northwest Region includes the states of Idaho, Oregon and Washington and California. For purposes of business region summary statistics, California is not included in the Northwest Region as the Company only has 100 access lines in that state.

¹³ -- Southern Region includes the states of Alabama, Arkansas, Florida, Kansas, Louisiana, Mississippi, Missouri, Oklahoma and Texas.

rates in the nation (7.8%) and the highest broadband subscription rate in the nation (79.7%).

While income levels vary significantly across the CenturyLink states, families living at or below the poverty line represent a significant proportion of the current and potential broadband customers in each of the states where CenturyLink offers service. The launch of the Internet Basics program has introduced a new more affordable broadband service option previously not available to these customers who are generally less represented among broadband subscribers.

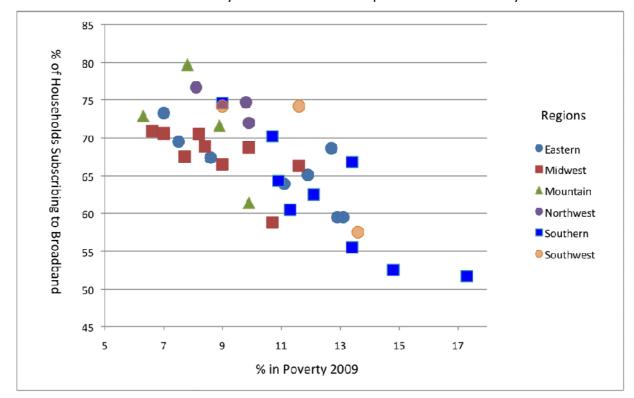


FIGURE 2: Relation of Poverty to Broadband Subscription Rates for CenturyLink States

Awareness Outreach and Education

Data from the 2011 U.S. Consumer Population Survey reveals that while affordability of broadband service is a significant barrier to adoption, it is not the most frequently cited barrier. Perception of "relevance" or value of broadband was cited by 47 percent of non-adopters nationally as the number one reason for not subscribing to broadband. This compares to 27 percent who indicated that their number one reason for not adopting broadband is that it is too expensive. Approximately 14 percent indicated that the lack of an adequate computer is their primary reason for not subscribing to broadband. Significantly only 3 percent cited the non-availability of a broadband connection as their

 $^{^{\}rm 16}$ -- The specific response was "not interested in purchasing broadband."



¹⁵ -- Household broadband subscription data published by CPS in 2011 was collected in 2010.

primary reason for not subscribing. This latter result suggests that unmet pent-up demand for broadband at current prices is relatively small. Proactive solutions that promote awareness of broadband relevance provide lower prices for service or address the need for an adequate computer may be required to expand take rates among the non-adopting population.

TABLE 2: Primary reasons for not subscribing to broadband ¹⁷

Reasons cited by	non-adopters for not	subscribing to broa	dband:
CenturyLink Business Region	Perceived Relevance	Expense	Lack of Adequate Computer
Pé	ercent of Non-Adopting	Population	
Eastern	47.5	24.5	11.2
Midwest	47.1	25.1	14.1
Mountain	43.7	20.6	22.8
Northwest	42.7	25.1	13.2
Southern	44.5	26.8	14.0
Southwest	36.0	28.3	19.2
Company-wide	45.6	25.5	14.1

The general finding that perceived relevance is the number one barrier to adoption is consistent across all CenturyLink business regions. With the exception of the Southwest Region, well over 40 percent of the population in each region cite perceived relevance as the number one barrier to subscribing to broadband. Approximately one-quarter of the populations in each region cite expense as the major factor. Those citing lack of access to an adequate computer range from 11.2 percent in the Eastern Region to 22.8 percent in the Mountain Region (See Figure 2 above).

Among the U.S. non-adopting population, 54 percent are over the age of 55 (see Figure 3 below). For this older category of potential broadband customers, 60 percent cite lack of relevance as their primary reason for not purchasing a broadband connection (Figure 4). And only 13.9 percent cite expense as the primary reason. Consequently, the discounted service and equipment offering are not as likely to attract the older customer group as are outreach efforts that focus on educating seniors on the relevance of broadband to their lives. In contrast for those under 44, expense is the more important consideration

 $^{^{\}rm 17}$ -- Source: Data derived from U.S. Census of Population Household Survey, 2011.



suggesting that the discount programs may be more effective in reaching the younger demographic group.

FIGURE 3: Age Distribution for Non-Adopters

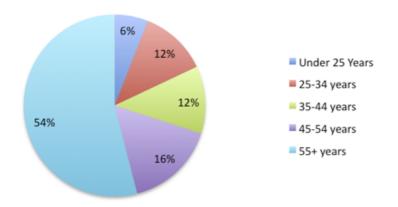
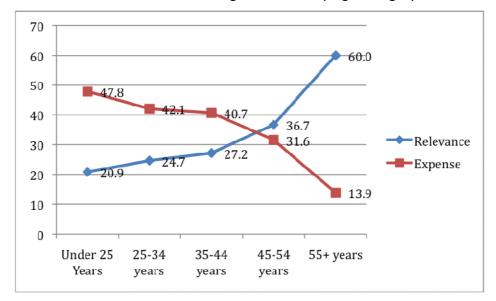


FIGURE 4: Percent of Non-Adopting Population Citing Relevance or Expense as the Primary Reason for Not Purchasing Broadband by Age Category¹⁸



To address the relevance and awareness barrier CenturyLink implemented a series of local training sessions, usually in partnership with a local non-profit or a governmental entity. During the first year, CenturyLink conducted a total of 63 workshops involving 1,403 participants in 21 states were conducted as a part of Internet Basics. Notably about 58 percent of those participating in the Internet Basics Training were 55 years or older.

¹⁸ -- Source: 2011 Consumer Population Household Survey



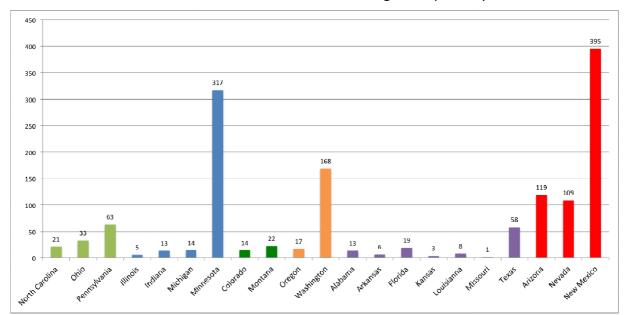


FIGURE 5: Number of Internet Basics Training Participants by State

The curriculum for these training sessions includes information demonstrating the relevance of broadband as well as helping participants become more comfortable using a computer. While only a sampling of the participants completed a post-workshop evaluation, the most frequently cited outcomes of the Internet Basics training were:

- I am more motivated to access the Internet
- I am more comfortable using a computer
- I am more familiar with opportunities that can be accessed on-line
- I better understand affordable options available through CenturyLink to obtain a computer

Internet Basics promotes awareness of broadband relevance in part through strategic partnerships with organizations that have targeted missions in serving low-income populations and seniors. Overall, CenturyLink developed more than 767 partnerships with organizations ranging from United Way chapters to tribal councils to senior centers to schools to local government to economic development councils.

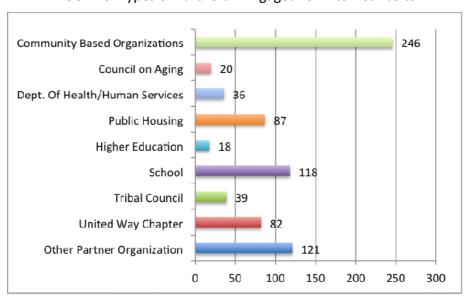


FIGURE 6: Types of Partners¹⁹ Engaged for Internet Basics

These partnerships promote all aspects of the Internet Basics program including the awareness outreach as well as the discounted broadband service and computer equipment opportunities. However, a very important role of the partner organizations has been to provide the specific local context for outreach and engagement. For example, in Seattle, CenturyLink partnered with a local non-profit organization to implement a targeted workshop for low-income families on using the Internet to engage in affordable healthy eating including a specific focus on how to find nutritious recipes on-line. CenturyLink introduced Internet Basics at this session and had retail sales representatives present to answer questions and sign people up. In Arkansas, CenturyLink promoted the relevance of the Internet by working through the Arkansas Leadership Council²⁰ to communicate how broadband can bring opportunities, especially to those living in rural communities. In Clark County Nevada, CenturyLink employees partnered with local senior centers to conduct a targeted training relevant to that population. These are just several examples of CenturyLink partnerships to facilitate awareness outreach to the local community.

In addition to outreach through local community partner, CenturyLink implemented a number of direct outreach programs through local media, distributing flyers, and meetings with local officials and other community leaders. An on-line reporting system for tracking CenturyLink employee engagement with these types of direct community outreach activities was established in April of 2012. Table 3 below provides a snapshot (between

²⁰ -- The Arkansas Leadership Council is an independent coalition of local and state government leadership organizations focused on building economic opportunity throughout the state.



^{19 --} MDMs and other CenturyLink employees involved with Internet Basics self reported the types of partners that were engaged at the local level. The term "Community Based Partners" refers to local organizations that have a mission of serving the local community. This can include organizations such as Chambers of Commerce, Hispanic-serving organizations, Faith based organizations, etc.

April 1 and September 30, 2012) of CenturyLink direct community outreach by major activity and region.

TABLE 3: Snapshot of CenturyLink Employee Self-Reported Activities

Activity	Numbers Self-Reported by Region April 1 - September 30, 2012					
	Eastern	Midwest	Mountain	Northwest	Southern	Southwest
Press Releases	595	605	24	216	215	20
Fliers/Direct Mail	9,903	18,502	2,376	13,403	9,701	10,228
Community Events	7	13	9	40	38	15
Meet with local officials	62	37	20	49	19	2
Meet with community organizations	83	60	29	12	43	36

Implementation of the Internet Basics program is based on harmonizing the program with CenturyLink's region-based local operating model. This model follow a structure which is led by a regional president and several vice-presidents/general managers who have local facing technicians and community facing personnel to provide targeted local service. Direct CenturyLink Internet Basics community outreach was implemented in each of the six business regions, primarily by Market Development Managers but also by other CenturyLink employees with retail marketing or public policy responsibilities. Approximately 65,000 flyers were distributed across all of CenturyLink's business regions between April 1 and September 30. CenturyLink also initiated a number of meetings with local officials and other community leaders to create awareness of the program as well as distributed more than 1,600 press releases. In addition to these locally led community outreach activities, CenturyLink on a corporate level purchased substantial newspaper and media advertisement space in all its markets.

Internet Basics Discount Subscriptions and Computer Equipment Sales

Total Internet Basics subscriptions evolved slowly the first two quarters of the Program but have expanded in the last two quarters to a steady pace between 1,500 to more than 2,000 subscriptions per month with a cumulative total of approximately 13,351 subscriptions by the end of the first year of the program operation (See Figure 8). The new CenturyLink Internet Basics Back to School Campaign organized over the summer is at least partially responsible for the increase in Internet Basics subscriptions in September.

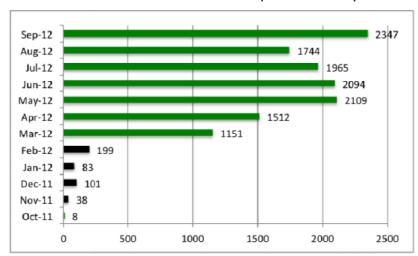
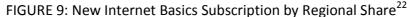
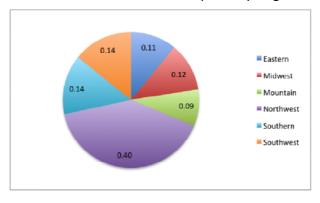


FIGURE 8: New Internet Basics Subscription Sales²¹ by Month





The Northwest Region excelled among the six business regions accounting for approximately 40 percent of all Internet Basic subscription sales as of the end of July 2012. In general the Northwest's success is attributed to strong and effective local partnerships

²² -- Based on July 2012 data.



²¹ -- End in Sales (EIS) reported by CenturyLink. EIS is less than the total number of Internet Basics broadband customer sales as those customers that disconnected service are subtracted.

and aggressive outreach from local MDMs and other company employees.²³ In part as a result of the CenturyLink Back to School Campaign, there have more recently been increased sales in other regions, especially in the Las Vegas Market.

CenturyLink's sale of low-cost netbook computer equipment has been less than expected during the first year of program operation. Overall customer interest has been limited and only 859 netbook units were sold in the first twelve months of the program operation. Possible reasons include cost. While the \$150 is significantly less than the cost comparable new computer equipment available from retail outlets, it is still a significant amount of money for a low-income family to pay as an up-front expense. Some MDMs have speculated based on customer input that sales of netbooks may be increased if the computers could be provided on a payment plan. Second, the requirement of a two-year contract and other terms and conditions could be a barrier for some customers. In some communities there are other organizations that provide low-cost refurbished computers to low-income households. Some of the Internet Basic subscribers already have a computer in their home. Approximately one-third of the individuals who participated in the CenturyLink Internet Basics training indicated they do have a computer at home. Additional information including a direct customer survey would be required to fully assess the reasons for the low take rate for the available CenturyLink netbook computer option.

CHALLENGES ENCOUNTERED AND LESSONS LEARNED

Appropriate Resourcing for National Deployment of New Discount Broadband and Computer Equipment Products

Challenge Overview

The successful national roll out of the Internet Basics program required time and resource commitment from hundreds of employees distributed across all six of the CenturyLink business regions. In particular the Market Development Managers (MDMs) were charged with the front line responsibility to generate knowledge and enthusiasm for the program at the local market level. Simultaneously other critical corporate functions from both legacy companies were engaged to support the marketing with creative materials, equipment procurement, advertising placement, retail sales capability, call center operation and service response. Because of the specialized program requirements, CenturyLink had to develop appropriate marketing and sales protocols and implement training of personnel across all business regions and within both legacy companies. While some MDMs had experience with and connections to marketing channels appropriate to reach out to the eligible customer community, others did not. The timeline to put in place necessary business protocols, product offerings and employee training support for a national roll out was aggressive, launching six months after the merger agreement. In general the launch of the new product imposed a time and resource commitment and significant integration

²³ -- More analysis on this point below as a lesson learned.



challenges for numerous corporate organizations in addition to on-going commitments for most employees.

Lessons Learned

Dedicated training resources necessary

A commitment to on-going and effective training was required on multiple levels (and will continue to be required) to support the national roll-out of the discounted broadband service, discounted computer equipment products as well as the successful implementation of awareness training workshops. At a high level, CenturyLink's Public Policy unit provided overview training via webinar and on-line communications information to orient MDMs and senior managers in each state on the overarching goals of the Adoption Program as well as the key Program components. Twice monthly conference calls have been utilized for on-going communication and problem solving. More specific training in the first year has been targeted primarily to the customer service representatives and back-office personnel. Specifically, the Internet Basics Program depends on customer care service representatives either at CenturyLink in-bound call centers, vender operator call centers and retail stores to appropriately handle customer orders with assistance from an Offline Support Group responsible for verifying customer's eligibility for the program. These CenturyLink personnel require on-going specific training regarding terms and conditions of the programs, the customer eligibility requirements and mechanics for customer interactions. The training was initially provided through on-line training modules available to all markets. In addition to on-line training modules, customer care representatives are provided with a comprehensive on-line documentation resource for Methods and Procedures. These initial trainings and materials are refreshed and reinforced through a series of Bulletins, Spotlights, Huddles and Desk Drops. During the first year specific training for MDMs has been more targeted to local activities, accomplished primarily through team interactions on twice monthly conference calls and materials distributed on-line. The importance of training has been underscored by the complexity of meeting customer inquiries in the first year, particularly regarding eligibility requirements for the program. Attention to training not only for customer service representatives but all members of the team will continue to be required going forward into future years.

Established MDM community connections are critical but also potentially a scarce asset

The MDMs serve as the front line personnel tasked with advancing sales of Internet Basics to eligible customers. These individuals have extensive knowledge of their local community and in many cases well-developed connections with public officials and community-based organizations and other potential partners. Over the past year, MDMs in business region have spent hundreds of hours conducting meetings and phone calls and in organizing events to create awareness of the Internet Basics program offering.



Self-reported activities of MDMs indicate that at least a total of 57 community events, 295 meetings with local officials and other community partners as well as 30 training workshops were implemented between April 1, 2012 and September 20, 2012. In addition in all markets there have been major on-going promotions through flyers and media placements.

The most effective MDMs are those with established relationships with the relevant partner communities. Examples include Pacific Asian American networks in Seattle; city officials and a major consumer organization in Portland Oregon; state broadband development leadership in Arkansas, Hispanic community leaders in Arizona and New Mexico, schools in Nevada and United Way organizations in Ohio. By partnering with organizations such as these, it is possible to utilize existing information channels to reach thousands of potential eligible customers.

However, a lesson quickly learned is that activities associated with the deployment of the new adoption program at the local market level are time consuming. MDMs typically have multiple duties and responsibilities in addition to advancing Internet Basics. While some of these activities are complementary, others are not. Consequently, while the MDM role is essential to Internet Basics, there is only limited availability of that critical resource that must be effectively utilized. It is therefore imperative to use this limited resource in the most efficient manner, focused on activities for which they can add the most value, given their unique relationships and skills.

Partner networks are key to efficient and effective market outreach

Those markets with the largest Internet Basics product sales generally have MDM and other employee leadership that has aggressively utilized partner networks. The Seattle market leads national Internet Basics sales and is an excellent case example. The Seattle office has long encouraged its employees to become involved with local community based organizations. Consequently at the time when Internet Basics was launched, the company had strong employee connections with local organizations such as the Pacific Asian American Network and the Alliance of Black Telecommunications Professionals. These organizations helped provide the outreach to encourage eligible family members and friends to attend a local training workshop and led to a significant number of Internet Basic sales to first time broadband users. Over the past year, the Seattle team has built additional partnerships with the Mayor's Office and a non-profit, Interconnection.org that has a mission of distributing low-cost refurbished computers to low-income populations. Working together with these partners the Seattle CenturyLink team has signed up hundreds of local families for Internet Basics.

Each MDM has a network of relationships that are appropriate to their local market. Because the target population for Internet Basics is Lifeline telephone eligible customers, many CenturyLink local offices have established organizational contacts through that existing program and have been able to leverage those connections and marketing resources to create awareness of Internet Basics. While flyers and media



have been used to promote Internet Basics in all markets, it is those markets with employees that are effective in proactively leveraging relationships with existing community-based organizations that lead in Internet Basic sales.

In addition to the MDMs and other employee resource groups, the Public Policy team also supported the outreach and communication of the program through meetings with local officials and participation in community events. One of the greatest challenges was in trying to create partnerships and collaborations among BTOP stimulus recipients whose focus was on computer training and awareness. A number of the libraries, schools and other public entities initially perceived the CenturyLink Internet Basic Program as a PR and computer sales program rather than a program to support broadband adoption among low-income households. The Public Policy team played an important role in communicating goals and objectives of the program in order to help foster working relationships with libraries, schools and other partner organizations at the local level.

Targeted market opportunities such as focusing on schools can help to efficiently focus resource commitment

CenturyLink Internet Basics targets all telephone Lifeline eligible customers. While Lifeline eligible customers share the attribute of being low-income, they are diverse including both old and young, people of differing ethnic backgrounds, different levels of educational attainment as well as rural and urban residents. As noted above the barriers can also differ substantially for different populations. For example non-subscribers over 55 more often cite lack of perceived relevance as the primary barrier rather than cost. Those younger than 44 more typically cite price as the primary barrier. The degree of digital literacy can vary substantially across the non-adopting population. For immigrant populations in particular, language can be a barrier even in getting information about the product. While Internet Basics materials are available nationally in Spanish, it is not feasible for CenturyLink to provide these materials in the many other languages that are characteristic of low income populations in American cites. Similarly tribal populations have their own unique cultural traditions and appropriate networks for engagement. During the first year of the program, CenturyLink made over 107 contacts with tribal councils and agencies in twenty-two states providing information on the Internet Basics Program. In short, it is difficult to provide effective creative materials reflective of appropriate cultural perspective for every niche market. Consequently, while promoting broadband to the diverse Lifeline-eligible population across the nation is a unique strength of Internet Basics, it may also limit the effectiveness of the overall program outreach or at minimum increase the program cost per contact ending in a subscription. During the first year, CenturyLink has utilized relationships with community-based organizations that cater to specific target groups to increase effectiveness in reaching eligible Internet Basics customers.

Another way of addressing the issue is to conduct marketing based on commonalities of niche groups, such as participation in school communities.



CenturyLink Internet Basics has recently implemented a national "Back to School" campaign that is targeted to schools in areas that CenturyLink serves. While the school population is also diverse, the challenge of producing relevant creative materials and program support can be significantly more standardized across the country because the program addresses a targeted relevant need. In addition because the school population and their parents tend to be younger and the beneficial application is clearly defined, the need to promote relevance of the Internet Basics product is much less.

A potential limitation of the Back to School campaign is that CenturyLink may be promoting to the same market niche as competing companies in some markets. Other early reported pushback includes some individual schools (as well as some librarians) expressing skepticism of the company's motivations in offering the discounted service. The new "Back to School" campaign is still too new to evaluate its effectiveness, but overall early results are promising. This approach of targeted niche sector campaigns could potentially be applied to other major Lifeline eligible populations such as customers associated with tribal communities, senior centers or public housing.

Achievement of Low Income Adoption Objectives Within the Context of Business Realities

Challenge Overview

U.S. communications policy has sought to align public interest objectives with the business objectives of commercial telecommunications providers since the early years of the 20th Century.²⁴ In the early days where communications services were delivered by monopoly telephone companies this policy objective was efficiently achieved through regulation and the awarding of monopoly franchise service areas. Today, established rules and policies consistent with open fair competition are widely viewed as the best way to achieve most public interest objectives for the nation's communications system.²⁵ However finding appropriate solutions for some public interest objectives such as the universal service principles outlined in Section 254(b) of the Federal Telecommunications Act of 1996 are more complex to achieve within the context of a competitive industry.

Notably, with the AT&T divestiture in 1984, the FCC established a new "Lifeline" telephone program out of concern that low-income telephone customers could be forced off the network by higher prices. In its recent *Lifeline Reform Order*, ²⁶ the FCC recognized current limited levels of broadband subscription within the low-income customer base and took steps towards the establishment of pilots to explore further the operational potential of a Lifeline and Link Up "type" of program. The goal was to lower subscriber costs and advance

²⁶ -- FCC Lifeline and Link up Reform and Modernization; Report and Further Notice of Proposed Rulemaking. January 31, 2012.



²⁴ -- Ronald G. Fulle. Telecommunications History and Policy into the 21st Century. RTI Press, 2010.

²⁵ -- The Federal Telecommunications Act of 1996 formally preempted state authority to establish monopoly telephone service areas setting the stage for a national policy of open market telecommunications competition including advance services.

consumer awareness of broadband benefits ultimately to expand broadband subscription among low-income households. This regulatory initiative is similar to CenturyLink's commitment to launch a new Internet Basics program.

Lessons Learned

Senior leadership innovation, prioritization and support essential

Particularly in a competitive industry, the introduction of a new highly discounted product targeted to the lowest income segment of the customer-base is a complex business challenge requiring creative innovation from throughout the company to be successful. For a variety of possible reasons, less than five hundred Internet Basic subscriptions were sold during the first five months after the initial product launch. Recognizing the need to accelerate program implementation, beginning in March 2012 CenturyLink senior leadership reemphasized the priority of promoting and selling Internet Basics by stepping up innovative communication and marketing strategies as well as support. An on-line activity-tracking tool was established with personnel specific activities recorded and reported to senior management weekly. Also, an internal employee site was created and maintained by Public Policy specifically for the Market Development Managers and others to easily access resources for local promotion and awareness. Also about the same time CenturyLink expanded its overall promotions efforts and marketing systems. The strong communication of priority along with process changes and increased focus had immediate results with Internet Basics monthly subscription sales rising to 1,151 in March and consistently in the range of 1,500 to 2000 for each of the following months.

Must have the flexibility to be nimble responding to market realities

CenturyLink utilizes approximately twice monthly telephone conference calls inviting MDMs from each of the business regions to share challenges, potential solutions and best practices. The longer-term success of Internet Basics will depend on success in incorporating lessons learned from market implementation into future promotions. During the first year of the program internal communication has been particularly important to guide improvements to marketing materials that are available for local outreach. These can include specifics such as dealing with inaccurate toll free phone contact numbers to suggestions for improving the content of the materials to reduce customer confusion. Another example of where nimble response has been important is adjusting the local program design to best leverage the assets and capabilities of a particular partner organization. For example in Seattle, a non-profit Interconnection.org refurbishes computers and sells the refurbished computers for \$150. It was in the best interest of the partnership for CenturyLink to focus on selling of Internet Basics subscription service and leave the role of providing low-cost computer equipment to the local non-profit partner. Some partner organizations have an established training curriculum and CenturyLink can effectively partner with them to sell the Internet Basics product in



conjunction with their program. For example, in the state of Louisiana, a BTOP stimulus recipient was providing basic and advanced computer training sessions in libraries throughout the CenturyLink service areas for the past year. Rather than compete for customers, CenturyLink formed a collaborative partnership with the manager of the project to distribute its Internet Basics materials at each of the training sessions. These examples illustrate how the offering of training, discounted service and low-cost equipment may need to be flexibly mixed and matched when working with individual partners.

Important to proactively manage community and customer expectations

Earned goodwill with CenturyLink customers and the communities they live in is one of the primary business benefits of Internet Basics for CenturyLink. In general, the new adoption program has been well received and appreciated by governmental leaders, local partner organizations and customers. However, at times it has been important to proactively manage community and customer expectations regarding the program through effective communication. In particular, the new Internet Basics product offering is only available to certain eligible customers creating a potential customer relations challenge for MDMs. For example, when a community event or training workshop is held in a particular location, such as a senior center, it can be confusing to existing CenturyLink broadband customers to understand that they are not eligible for Internet Basics even though they may presently be Lifeline customers. Local market experience also points to the importance of pricing transparency. Clear communication of additional fees and charges associated with Internet Basics is needed to avoid customer confusion. As was noted above, there has not always been clarity among school officials regarding the mission and purpose of the Internet Basics product and how it might fit in with the school's mission. These are just several examples.

Tools available to help manage expectations can include the effective training of customer service representatives, on-going clarification of program details for MDMs and customer facing retail sales representatives, company-wide employee use of an intranet web site providing involved personnel with quick access to answers to their questions, effective clearly written materials describing the product and associated program efforts and one-on-one meetings with local officials and partner organizations. Continued attention to communication with customers and communities served by CenturyLink should continue to be a high priority moving forward into future years of the Internet Basics roll-out.

Implications for Year Two

As Internet Basics moves into its second year several implications of lessons learned should be considered.



Consider advancing additional national campaigns emphasizing a perceived "relevant" application for specific target niche markets

While in year one there have been important local and regional successes, those successes are not always easy to replicate in other areas because they often focus on specific niche populations and partnerships unique to those local areas. The population of Lifeline eligible customers is very diverse making it a challenge on a national basis to design effective creative materials and develop approaches to engage partners. Promotional and marketing support materials developed at the national level tend to be generic and have not always been well aligned with the specific targeted niches at the local level.

While not a replacement for continued innovation and appropriate targeted outreach at the local market level, CenturyLink's resources are likely to be most efficiently utilized through carefully targeted national campaigns that address a felt relevant need for broadband shared by customers across multiple business regions. As demonstrated in year one, the Company's resources are most efficiently deployed doing what it does best with the delivery of a quality product and leadership convening partners. Partners can extend the Company's resources by taking the lead in outreach leveraging already existing and extensive networks reaching lower income families.

The current "Back to School" campaign is a good example. CenturyLink should carefully track results from the Back to School campaign to determine its effectiveness in increasing Internet Basics subscriptions relative to the needed resource commitment. Assuming a positive result CenturyLink should consider deploying additional niche focus campaigns that are likely to be beneficial across multiple market clusters. These campaigns should include where possible:

- a) Partner associations or organizations with a national membership,
- b) Identification and promotion of a specific niche application that is relevant to a large number of potential Internet Basics customers;
- c) Preparation of carefully targeted promotional materials; and
- d) Additional training and support for MDMs and others responsible for marketing the product.

Possible examples include a targeted campaign for seniors focusing on health care access at home; a product developed in partnership with tribal communities that focuses on opportunities to preserve culture and heritage; and telework or homebased business opportunities targeted to low-income rural communities. The key to successful niche product opportunities such as these is the identification of an appropriate well-resourced national partner that can provide leadership in the outreach with CenturyLink providing a valued product offering filling gaps for low-income connectivity.



Expand public-facing communication outreach to maximize opportunities to gain community and customer support and strengthen program design where appropriate

CenturyLink personnel interviewed for the preparation of this report consistently cited the opportunity to showcase CenturyLink's commitment to communities and customers as one of the greatest business benefits of Internet Basics to the company. To fully take advantage of this opportunity, the Company should consider devoting additional resources towards capturing and proactively communicating the impact of Internet Basics on people's lives. Specific actions could include:

- Implement random survey of early Internet Basics customers to assess and document benefits of Internet access and how it has positively impacted their lives.
- Formalize process capturing success stories and implement systematic communications plan to communicate those successes through internal and external channels.
- o Consider development of a simple visual dashboard to track and communicate CenturyLink's progress in achieving defined metric.

These anecdotes could be used for outreach to prospective Internet Basics customers, to motivate CenturyLink personnel and better target available resources to maximize program effectiveness.

Explore opportunities to optimize the value of the MDM resource

MDMs are the front-line of the Internet Basics deployment at the local market level. MDMs each bring different background and experience to this task. All face time and resource constraints as they have multiple responsibilities in addition to the marketing of Internet Basics. Especially in smaller markets the MDMs do not always have large staff support or budgets for Internet Basics and must use time carefully. Therefore it is important to optimize the value of the MDM time that is available. Possible options to consider include such things as:

- Continue the current beneficial practice of regular phone and web conferences providing both an opportunity to exchange ideas and problem solve.
- o Continue streamlining processes to escalate and quickly resolve issues identified by MDMs as they engage customers at the local market level.
- Consider policies that provide MDMs with appropriate local flexibility to implement the program in ways that are most consistent with successful partnering at the local level.
- Seek opportunities to streamline reporting requirements where appropriate to make it both easier to capture program data and minimize the amount of time required for the MDMs to enter reporting data.
- Explore new avenues to utilize reporting data as proactive feedback information to help MDMs adjust and modify their local marketing approaches.

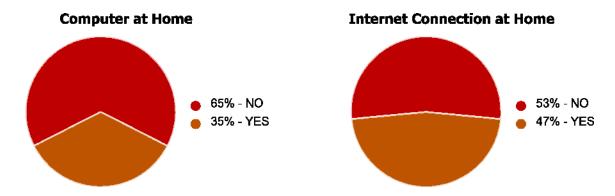


CONCLUSION

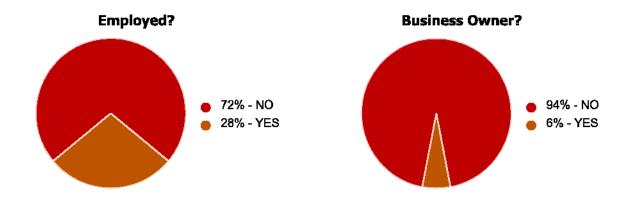
The first year of the Internet Basics program implementation has produced positive results for customers as well as an important learning opportunity for the future implementation of the program. Perhaps most important to the future are continued refinement of the promotion and marketing aspects of the program including improved targeting along with continued efforts to find win-win relationships with local, regional and even national partners. Those partners can include schools, community or membership organizations that serve important eligible population groups, economic development organizations, local or state government leaders and others. By working through partners CenturyLink is able to better reach eligible customers and mitigate the more complex barriers to adoption such as trust, language issues, cultural knowledge, perceived relevance and simply access to information. It is these local networks that will enable CenturyLink to efficiently deploy and target resources to successfully reach new Internet Basic customers. In year one, CenturyLink has laid a solid foundation for program expansion including refined protocols for employee training, communication forums to identify and share best practices and learning from what has worked at the local market level. Going forward it will be important explore opportunities to better capture and communicate success stories both to encourage greater customer buy-in to the Internet Basics product as well as inspire employee engagement throughout the company.

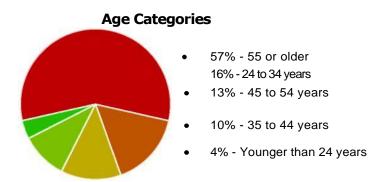
CenturyLink Internet Basics

Customer Background

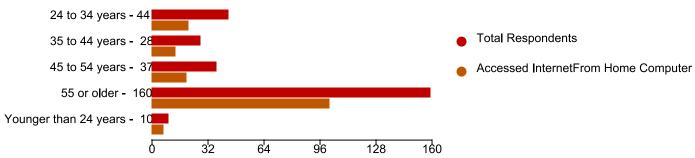


Used to Access the Internet	Total
My Home Computer	166
School Computer	40
Work Computer	46
Library or Other Public Location	93
Mobile Phone	40
Other Location	25
I have NEVER Accessed the Internet Before	36
Friend or Family Member's House	59



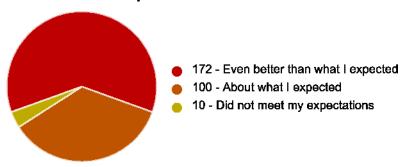






Customer Evaluation

Cutomer Expectations

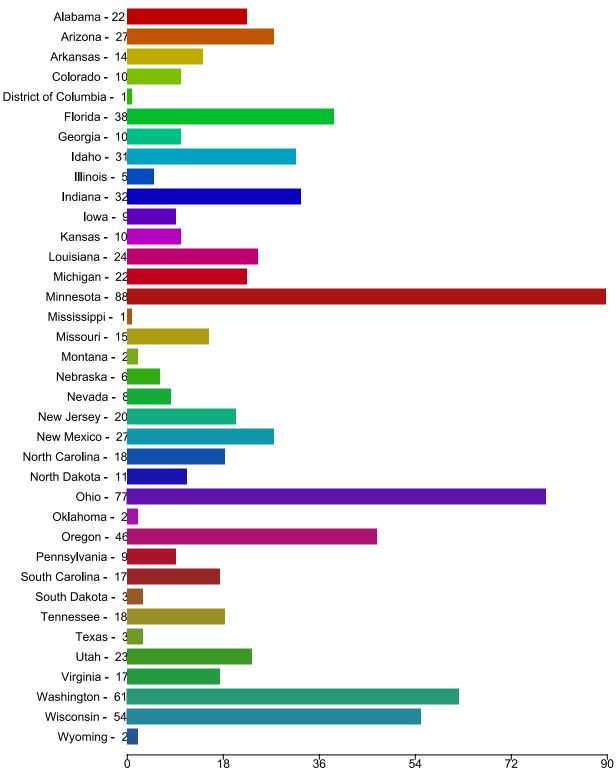


Reason for Attending	Total
To learn more about CenturyLink's services	117
To understand how the Internet can be useful to my life	136
To learn how to use the Internet to search for employment	47
Other Reason	45
To improve my comfort level with using a computer	157
To learn how to access the Internet	88
To learn how to do basic searches on the web	104

Outcomes as a Result of the Training	Total
Other outcome	24
I am more motivated to access the Internet	137
I am more comfortable with using a computer	134
I am more familiar with opportunities that can be accessed on-line	113
I better understand affordable options available through CenturyLink to obtain a computer	104
I am more knowledgeable of local programs and resources that can help me use the internet after I go home	83

Partner Organizations Promotions

Partner Org. by State



Partner Org. by Type

